

ASSEMBLY BILL

No. 1731

Introduced by Assembly Member La Malfa

February 22, 2005

An act to amend Section 14133 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 1731, as introduced, La Malfa. Medi-Cal: health care services: utilization controls.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services and under which qualified low-income persons receive health care services. Existing law authorizes the department to apply to the provision of these services utilization controls, which are limited to prior authorization requirements, postservice prepayment audits, postservice postpayment audits, limitations on the number of services, and review of services.

This bill would make a technical, nonsubstantive change to this provision.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 14133 of the Welfare and Institutions
- 2 Code is amended to read:
- 3 14133. Utilization controls that may be applied to ~~the~~ *those*
- 4 services set forth in Section 14132 ~~which~~ *that* are subject to
- 5 utilization controls shall be limited to:

1 (a) Prior authorization, which is approval by a department
2 consultant, of a specified service in advance of the rendering of
3 that service based upon a determination of medical necessity.
4 Prior authorization includes authorization for multiple services
5 which are requested and granted on the basis of an extended
6 treatment plan where there is a need for continuity in the
7 treatment of a chronic or extended condition.

8 (b) Postservice prepayment audit, which is review for medical
9 necessity and program coverage after service was rendered but
10 before payment is made. Payment may be withheld or reduced if
11 the service rendered was not a covered benefit, deemed
12 medically unnecessary or inappropriate. Nothing in this
13 subdivision shall supersede the claims processing deadlines
14 provided by Section 14104.3.

15 (c) Postservice postpayment audit, which is review for medical
16 necessity and program coverage after service was rendered and
17 the claim paid. The department may take appropriate steps to
18 recover payments made if subsequent investigation uncovers
19 evidence that the claim should not have been paid.

20 (d) Limitation on number of services, which means certain
21 services may be restricted as to number within a specified time
22 frame.

23 (e) Review of services pursuant to Professional Standards
24 Review Organization agreements entered into in accordance with
25 Section 14104.